

**NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT (EXCERPT)**  
**Act 451 of 1994**  
Part 511 and Part 512  
**COMMERCIAL FORESTS**

**PART 511**

**324.51101 Definitions.**

Sec. 51101. As used in this part:

(a) "Ad valorem general property tax" means taxes levied under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(b) "Commercial forest" or "commercial forestland" means forestland that is determined to be a commercial forest under section 51103.

(c) "Declassify" or "declassification" means the removal of the commercial forest designation pursuant to section 51116.

(d) "Forestland" means a tract of land that may include nonproductive land that is intermixed with productive land that is an integral part of a managed forest and that meets all the following:

(i) Does not have material natural resources other than those resources suitable for forest growth or the potential for forest growth.

(ii) Is not used for agricultural, mineral extraction except as provided in section 51113, grazing, industrial, developed recreational, residential, resort, commercial, or developmental purposes.

(iii) The owner agrees to develop, maintain, and actively manage the land as a commercial forest through planting, natural reproduction, or other silvicultural practices.

(e) "Forest management plan" means a written plan prepared and signed by a registered forester or a natural resources professional that prescribes measures to optimize production, utilization, and regeneration of forest resources. The forest management plan shall include schedules and timetables for the various silvicultural practices used on commercial forestlands, including, but not limited to, timber harvesting and regeneration.

(f) "Fund" means the commercial forest fund created under section 51112.

(g) "Natural resources professional" means a person who is acknowledged by the department as having the education, knowledge, experience, and skills to identify, schedule, and implement appropriate forest management practices needed to achieve the purposes of this part on land subject to or to be subject to this part.

(h) "Owner" means a person who holds title to the surface estate of forestland subject to this part. However, if land is purchased on a land contract, the owner includes the person who holds the land contract vendee's interest and does not include the person who holds the land contract vendor's interest.

(i) "Personal use" means use for any noncommercial purpose.

(j) "Registered forester" means a person registered under article 21 of the occupational code, 1980 PA 299, MCL 339.2101 to 339.2108.

(k) "Silvicultural practices" means the management and manipulation of forest vegetation for the protection, growth, and enhancement of forest products.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995 ;-- Am. 2006, Act 383, Imd. Eff. Sept. 27, 2006

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

**324.51102 Commercial forest; scope and authority of department; rules; expenses; staff.**

Sec. 51102. The department shall establish and maintain commercial forests and may promulgate and enforce rules as necessary to accomplish the intent and purpose of this part. All expenses incurred and staff employed to implement this part shall be with the approval of the state administrative board.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995

Popular Name: Act 451 © 2006 Legislative Council, State of Michigan

**324.51103 Commercial forest; application for determination; "contiguous" defined; requirements for eligibility; application form; postmark or delivery date; contents; brochure; notification; preparation of forest management plan.**

Sec. 51103. (1) The owner of at least 40 contiguous acres or a survey unit consisting of 1/4 of 1/4 of a section of forestland located within this state may apply to the department to have that forestland determined to be a commercial forest under this part. For purposes of this subsection, "contiguous" means land that touches at any point. Even if portions of commercial forestland are contiguous only at a point, the privilege of hunting and fishing shall not be denied for any portion of the land as provided in section 51113. The existence of a public or private road, a railroad, or a utility right-of-way that separates any part of the land does not make the land noncontiguous.

(2) To be eligible for determination as a commercial forest, forestland shall be capable of all of the following:

(a) Producing not less than 20 cubic feet per acre per year of forest growth upon maturity.

(b) Producing tree species that have economic or commercial value.

(c) Producing a commercial stand of timber within a reasonable period of time.

(3) An application for classification as commercial forest shall be submitted on a form prescribed by the department. The application shall be postmarked or delivered not later than April 1 to be eligible for approval as commercial forest for the following tax year. In addition to any information that the department may reasonably require by rule, the applicant shall provide all of the following to the department:

(a) A nonrefundable application fee in the amount of \$1.00 per acre or fraction of an acre, but not less than \$200.00 and not more than \$1,000.00. The department shall remit the application fee to the state treasurer for deposit into the fund.

(b) A legal description and the amount of acreage considered for determination as a commercial forest.

(c) A statement certifying that a forest management plan covering the forestland has been prepared and is in effect.

(d) A statement certifying that the owner of the forestland owns the timber rights to the timber standing on the forestland.

(4) The department shall prepare and distribute to any person desiring to apply for classification of forestland as commercial forest under this part a brochure that lists and explains, in simple, nontechnical terms, all of the following:

(a) The application, hearing, determination, declassification, and prosecution process.

(b) The requirements of the forest management plan.

(5) Not later than 3 months after the effective date of the 2006 amendatory act that amended this section, the department shall notify each county and township and all owners of forestland that is classified as commercial forest under this part of the amendments to this part that were enacted in 2006.

(6) If an applicant is unable to secure the services of a registered forester or a natural resources professional to prepare a forest management plan, the department upon request shall prepare the forest management plan on behalf of the owner of the forestland and charge the owner a forest management plan fee not to exceed the actual cost of preparing the forest management plan.

(7) After an owner certifies to the department that a forest management plan has been prepared and is in effect, a violation of that forest management plan is a violation of this part.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995 ;-- Am. 2006, Act 383, Imd. Eff. Sept. 27, 2006

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

### **324.51104 Forestland; evaluation; hearing; notice; conduct; approval; record.**

Sec. 51104. (1) Upon receipt of the application, the forest management plan certification, the timber rights certification, and the application fee described in section 51103, the department shall evaluate the forestland offered and fix a date for a public hearing upon the eligibility of the forestland for determination as a commercial forest. The hearing shall be held in the county where the land is located not later than November 1 following receipt of the application. Applications offering lands in the same county may be heard on the same day and at the same place. The department shall publish a notice of hearing and a list of the legal descriptions of lands being considered for determination as commercial forests in a newspaper of general circulation in the county in which the land is located. The notice of hearing shall be published at least 20 days before the date of the hearing. At the time of publication, the department shall provide a copy of the notice of hearing and a list of descriptions of land in each township to be considered for determination as a commercial forest to each township supervisor in whose township the lands are located. Any person who wishes may testify as to eligibility for determination as a commercial forest of any of the described lands. The hearing shall be conducted by the department.

(2) After the hearing, if the department determines that the applicant and forestland meet the requirements of this part and determines that all valid taxes assessed against that forestland have been paid, the department shall approve the application. Upon approval of the application, the department shall immediately record a listing certificate in the register of deeds office in the county in which the land is located with the department approval endorsed on the listing certificate and forward a copy of the listing certificate to the applicant and to the township supervisor of the township in which the land is located.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

**324.51105 Commercial forests not subject to ad valorem general property tax; specific tax; removal from land descriptions list; separate roll; collection; return and sale for nonpayment of taxes; valuation prohibited; lands not considered in connection with equalization distribution of sums collected; distribution; commercial forestland located in renaissance zone.**

Sec. 51105. (1) Commercial forests are not subject to the ad valorem general property tax after the date the township supervisor is notified by the department that the land is a commercial forest, except taxes as previously levied. Except as otherwise provided in part 512 and as provided in subsection (5), commercial forests are subject to an annual specific tax as follows:

(a) Until December 31, 2006, \$1.10 per acre.

(b) Beginning January 1, 2007 through December 31, 2011, \$1.20 per acre.

(c) Beginning January 1, 2012 and every 5 years after that date, the amount of the annual specific tax under this section shall be increased by 5 cents per acre.

(2) The supervisor of the township shall remove from the list of land descriptions assessed and taxed under the ad valorem general property tax the land descriptions certified to him or her by the department as being commercial forests and shall enter those land descriptions on a roll separate from lands assessed and taxed by the ad valorem general property tax and shall spread against these commercial forests the specific tax provided by this section.

(3) The township treasurer shall collect the specific tax at the same time and in the same manner as ad valorem general property taxes are collected and this tax is subject to the same collection charges levied for the collection of ad valorem property taxes. Commercial forests are subject to return and sale for nonpayment of taxes in the same manner, at the same time, and under the same penalties as lands returned and sold for nonpayment of taxes levied under the ad valorem general property tax laws. A valuation shall not be determined for descriptions listed as commercial forests and these lands shall not be considered by the county board of commissioners or by the state board of equalization in connection with county or state equalization for ad valorem property taxation purposes.

(4) Except as provided in section 51109(2), all sums collected pursuant to this section shall be distributed by the township treasurer in the same proportions to the various funds as the ad valorem general property tax is allocated in the township.

(5) Commercial forestland located in a renaissance zone under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is exempt from the annual specific tax levied under this section to the extent and for the duration provided pursuant to that act.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995 ;-- Am. 1996, Act 451, Imd. Eff. Dec. 19, 1996 ;-- Am. 2006, Act 382, Imd. Eff. Sept. 27, 2006 **Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

**324.51106 Acreage as commercial forest; certifying to state treasurer; payment to county treasurer; distribution of remaining funds.**

Sec. 51106. (1) On December 1 of each year, the department shall certify to the state treasurer the number of acres that are commercial forestlands in each county and the state treasurer shall transmit to the treasurer of each county in which these commercial forests are located a warrant on the state treasurer for an amount equal to the following for commercial forest in the county:

(a) Until December 31, 2011, \$1.20 per acre.

(b) Beginning January 1, 2012 and every 5 years after that date, the amount of the annual payment under this section shall be increased by 5 cents per acre.

(2) From the payments received under subsection (1), the county treasurer of each county shall distribute an amount equal to 25 cents per acre for each acre of commercial forest in the county in the same proportions between the various funds as the ad valorem general property tax is distributed by the township treasurers in each township. Except as provided by section 51109(2), the county treasurer of each county shall distribute the remainder of the funds received under this section in the same manner and in the same proportion as ad valorem taxes collected under the ad valorem general property tax.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995 ;-- Am. 2006, Act 382, Imd. Eff. Sept. 27, 2006

**Popular Name:** Act 451© 2006 Legislative Council, State of Michigan

**324.51107 Repealed. 2006, Act 383, Imd. Eff. Sept. 27, 2006** **Compiler's Notes:** The repealed section pertained to adjustment of annual specific tax and state payment computed by using state equalized value per acre of timber cutover lands. © 2006 Legislative Council, State of Michigan

**324.51108 Withdrawal of land as commercial forest; application; fee; penalty; disposition; distribution; notice to applicant, township supervisor, and register of deeds; filing list of withdrawn lands.**

Sec. 51108. (1) An owner of a commercial forest may withdraw his or her land, in whole or in part, from the operation of this part upon application to the department and payment of the withdrawal application fee and penalty, as provided in this section.

(2) Except as otherwise provided by this section, upon application to the department to withdraw commercial forestland from the operation of this part, the applicant shall forward to the department a withdrawal application fee in the amount of \$1.00 per acre with a minimum withdrawal application fee of \$200.00 per application and a maximum withdrawal application fee of \$1,000.00 per application.

(3) Except as otherwise provided in this section, an application to withdraw commercial forestland from the operation of this part shall be granted upon the payment to the township treasurer in which the commercial forestland is located of a penalty. Except as provided in subsection (4), the withdrawal penalty shall be calculated in the following manner:

(a) Multiply the number of acres of commercial forestland withdrawn from the operation of this part by the average value per acre for comparable property acquired within the last 10 years under subpart 14 of part 21, as determined by the state tax commission under section 2153.

(b) Multiply the product of the calculation in subdivision (a) by the total millage rate levied by all taxing units in the local tax collecting unit in which the property is located.

(c) Multiply the product of the calculation in subdivision (b) by the number of years, to a maximum of 7 years, in which the property withdrawn from the operation of this part has been designated as commercial forestland under this part.

(4) For a period of 1 year after the effective date of the 2006 amendments to this section, the withdrawal penalty is as follows:

(a) Subject to subdivision (b), the withdrawal penalty that was in effect immediately prior to the effective date of the 2006 amendments to this section.

(b) If all of the following occur, an owner of commercial forestland is not subject to a withdrawal penalty:

(i) An owner of commercial forestland withdraws his or her land from the operation of this part as provided in this section.

(ii) The former commercial forestland is placed on the assessment roll in the local tax collecting unit in which the former commercial forestland is located.

(iii) The owner of the former commercial forestland claims and is granted an exemption from the tax levied by a local school district for school operating purposes under section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj.

(5) An application to withdraw commercial forestland from the operation of this part that meets 1 or more of the following requirements shall be granted without payment of the withdrawal application fee or penalty under this section:

(a) Commercial forestland that has been donated to a public body for public use prior to withdrawal.

(b) Commercial forestland that has been exchanged for property belonging to a public body if the property received is designated as a commercial forest as determined by the department.

(c) Commercial forestland that has been condemned for public use.

(6) The department shall remit the withdrawal application fee paid pursuant to subsection (2) to the state treasurer for deposit into the fund. The penalty received by the township treasurer under subsection (3) shall be distributed by the township treasurer in the same proportions to the various funds as the ad valorem general property tax is allocated in the township, except as provided by section 51109(2).

(7) If an application to withdraw commercial forestland is granted, the department shall immediately notify the applicant, the supervisor of the township, and the register of deeds of the county in which the lands are located of the action and shall file with those officials a list of the lands withdrawn.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995 ;-- Am. 2006, Act 382, Imd. Eff. Sept. 27, 2006

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

**324.51109 Determining proportion for disbursement of revenues and attribution of revenues; number of mills levied for local school operating purposes; distribution of revenues; “revenues” defined.**

Sec. 51109. (1) For revenues disbursed after June 30, 1994, to determine the proportion for the disbursement of revenues under this part and for attribution of revenues under subsection (2)(b) for revenues collected under this part, the number of mills levied for local school district operating purposes to be used in the calculation shall equal the number of mills for local school district operating purposes levied in 1993 minus the number of mills levied under the state education tax act, Act No. 331 of the Public Acts of 1993, being sections 211.901 to 211.906 of the Michigan Compiled Laws, for the year for which the disbursement is calculated.

(2) Except as provided in subdivision (b), for revenues disbursed after June 30, 1994, the revenues collected under this part shall be distributed as follows:

(a) In the case of intermediate school districts receiving state aid under sections 56, 62, and 81 of the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1656 , 388.1662, and 388.1681 of the Michigan Compiled Laws, all or a portion of the amount that would otherwise be disbursed to these intermediate school districts from the following revenue sources, as determined under a formula prescribed by the department of management and budget on the basis of the tax rate utilized to compute the amount of state aid for the intermediate school district, shall be paid instead to the state treasury to the credit of the state school aid fund established by section 11 of article IX of the state constitution of 1963:

(i) Revenues from that portion of the levy of a specific tax over 15 cents per acre pursuant to section 51105.

(ii) Revenues from that portion of state payments in excess of 25 cents per acre which are made pursuant to section 51106.

(iii) Revenues from remitted withdrawal penalties and fees imposed pursuant to section 51108.

(iv) Revenues from declassification penalties and fees pursuant to section 51116 .

(v) Revenues from remitted stumpage or yield tax collections made under former Act No. 94 of the Public Acts of 1925.

(b) For revenues disbursed after June 30, 1994, the amount that would otherwise be disbursed to a local school district for school operating purposes shall be paid instead to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(3) Except as provided in subsection (2)(a), as used in this section “revenues” means all of the following:

(a) The specific tax levied pursuant to section 51105.

(b) State payments made pursuant to section 51106.

(c) Withdrawal penalties and fees imposed pursuant to section 51108.

(d) Declassification penalties and fees pursuant to section 51116.

(e) Revenue from remitted stumpage or yield tax collections made under former Act No. 94 of the Public Acts of 1925.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995 ;-- Am. 1996, Act 585, Eff. Mar. 1, 1997

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

### **324.51110 Cutting, harvesting, or removing forest products prohibited; exceptions.**

Sec. 51110. (1) Except as provided in subsection (2), a person shall not cut, harvest, or remove forest products from a commercial forest.

(2) The owner of a commercial forest is entitled to cut or remove merchantable forest products on his or her commercial forest without withdrawing it or affecting its status as a commercial forest and without payment of a fee or penalty if the owner complies with all of the following:

(a) After an owner certifies to the department that a forest management plan has been prepared and is in effect under section 51103 and cuts, harvests, or removes forest products in compliance with his or her forest management plan.

(b) All other requirements of this part.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

### **324.51111 Report to department.**

Sec. 51111. The owner shall report to the department prior to the cutting, harvesting, or removal of forest products from the commercial forest.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

### **324.51112 Commercial forest fund.**

Sec. 51112. (1) The commercial forest fund is created within the state treasury.

(2) The state treasurer shall deposit the money collected from the following sources into the fund:

(a) The application fee and forest management plan fee pursuant to section 51103.

(b) The withdrawal application fee pursuant to section 51108.

(c) The fee described in section 51116(1)(a).

(d) An amount equal to 10 cents for each acre of land enrolled under this part as certified by the department, to be appropriated each fiscal year from the general fund.

(e) Any restitution ordered by a court payable to this state for a violation of this part.

(3) In addition to the revenues described in subsection (2), the state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(4) Money in the fund appropriated from the general fund shall remain in the fund at the close of the fiscal year and shall not lapse to the general fund.

(5) The department shall expend the money from the fund, upon appropriation, for enforcement, administration, and monitoring of compliance with part 512 and this part and rules promulgated under this part.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995 ;-- Am. 2006, Act 383, Imd. Eff. Sept. 27, 2006

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan



**324.51113 Prohibited use of land by owner; exception; exploration for minerals; removal of commercial mineral deposits, sand and gravel, and oil and gas.**

Sec. 51113. (1) Except as provided in this section, the owner of a commercial forest shall not use that land in a manner that is prejudicial to its development as a commercial forest, use the land for agricultural, mineral extraction except as provided in this section, grazing, industrial, developed recreational, residential, resort, commercial, or developmental purposes, or deny the general public the privilege of hunting and fishing on commercial forestland unless the land is closed to hunting or fishing, or both, by order of the department or by an act of the legislature.

(2) Exploration for minerals shall be permitted on land listed under this part. Except as provided in subsections (3) and (4), before the removal of any commercial mineral deposits, the owner shall withdraw the portion of the commercial forestland directly affected by the removal pursuant to section 51108. The withdrawal of commercial forestland due to mineral removal as provided in this section and section 51108 shall not cause the remaining portion of the commercial forestland to be withdrawn due to insufficient acreage of the remaining commercial forestland.

(3) Upon application to and approval by the department, sand and gravel may be removed from the commercial forest without affecting the land's status as a commercial forest. The department shall approve an application to remove sand and gravel deposits only if the removal site is not greater than 5 acres, excluding access to the removal site, and the sand and gravel are to be utilized by 1 or more of the following:

(a) The owner of a commercial forest for personal use if the owner of the commercial forest is also the owner of the sand and gravel deposits.

(b) The owner of the sand and gravel deposits for his or her personal use or for sale to the owner of the commercial forest for personal use, if the owner of the commercial forest is not also the owner of the sand and gravel deposits.

(c) This state, a local unit of government, or a county road commission, for governmental use.

(4) Upon application to and approval by the department, deposits of oil and gas may be removed from the commercial forest without affecting the land's status as a commercial forest.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995 ;-- Am. 2006, Act 383, Imd. Eff. Sept. 27, 2006

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

**324.51114 Applications, statements, and reports under oath; forms.**

Sec. 51114. All applications, statements, reports, and information required by the department in the administration of this part shall be on forms prescribed by the department and shall be under oath.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

**324.51115 Transfer of title; effect; withdrawal; document; notification.**

Sec. 51115. (1) The transfer of title of forestland subject to this part shall not affect that forestland's status as a commercial forest if the forestland continues to meet all of the eligibility requirements under this part. If the purchaser desires to withdraw his or her forestland from this part, the purchaser shall withdraw that forestland pursuant to section 51108. If the forestland's eligibility to be a commercial forest is affected by the

transfer of title, the department shall determine which forestlands may remain under this part and which forestlands must be withdrawn or declassified.

(2) A document that transfers any interest in commercial forestlands shall state on the face of the document that "this property is subject to part 511, the commercial forest part of the natural resources and environmental protection act". Failure to comply with this subsection does not affect the status of the land as commercial forestland.

(3) Not later than 30 days after the transfer of title or the transfer of any interest in land contract concerning the commercial forestland, the owner shall notify the department in writing of the transfer or ownership change.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

### **324.51116 Removal of designation; declassification; notice; recording; fee.**

Sec. 51116. If, after providing notice and an opportunity for a hearing, the department determines that a commercial forest was used in violation of this part, that the owner failed to pay the specific tax pursuant to section 51105, that the owner failed to report to the department pursuant to section 51111, that minerals were removed in violation of section 51113, or, after an owner certifies to the department that a forest management plan has been prepared and is in effect, that the owner failed to plant, harvest, or remove forest products in compliance with the owner's forest management plan, then the department shall remove the commercial forest designation for the commercial forest, serve a notice of declassification of the lands upon the owner, and record a copy of the declassification in the office of the register of deeds of the county in which the lands are located. Upon declassification, the land is subject to the ad valorem general property tax. Within 30 days after the service of the declassification notice on the owner, the owner shall pay both of the following:

(a) A fee equal to the withdrawal application fee described in section 51108 to the department for deposit into the fund.

(b) An amount equal to the penalty described in section 51108 to the township treasurer of the township in which the land is located to be distributed, except as provided in section 51109(2), in the same proportions to the various funds as the ad valorem general property tax is allocated in the township.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995 ;-- Am. 2006, Act 382, Imd. Eff. Sept. 27, 2006

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

### **324.51117 There is no Sec. 51117.**

### **324.51118 Applicability of changes in part; withdrawal; fees.**

Sec. 51118. (1) Except as provided in this section, changes in the terms, fees, taxes, or other provisions of this part apply to all forestlands that are commercial forests when the changes take effect.

(2) An owner, without penalty or payment of the withdrawal application fee pursuant to section 51108, may withdraw commercial forestland from the operation of this part if any change in the terms, fees, taxes, or other provisions of this part materially increases the burden on the owner. However, if an owner elects to withdraw his or her commercial forestlands under this subsection, the owner shall pay a fee for each acre withdrawn equal to the product of the current average ad valorem property tax per acre on timber cutover

real property within the township in which the commercial forestland is located, as determined by the township assessor, multiplied by 5. If the township in which the commercial forestland is located does not contain any real property classified as timber cutover real property under the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws, then 1 of the following applies:

(a) If there is timber cutover real property located within the county in which the commercial forestland is located, the per acre average of the ad valorem property tax for all timber cutover real property located in the county in which the commercial forestland is located shall be used in calculating the penalty under this subsection.

(b) If there is no timber cutover real property located within the county in which the commercial forestland is located, the per acre average of the ad valorem property tax for all timber cutover real property in townships contiguous to the county in which the commercial forestland is located shall be used in calculating the penalty under this subsection.

(3) The fee described in subsection (2) shall not exceed \$100,000.00. The owner shall pay the fee described in subsection (2) before withdrawal.

(4) The owner may not withdraw commercial forestland under this section unless he or she makes application to do so within 1 year after the changes take effect. If an owner elects to withdraw commercial forestlands under this section, he or she shall withdraw all the commercial forestlands owned by him or her at the time of withdrawal.

(5) If an application to withdraw commercial forestlands under subsection (2) is initiated by an owner or by the department before changes in terms, fees, taxes, or other provisions of this part or former Act No. 94 of the Public Acts of 1925 become effective, the owner shall pay the stumpage fees, other fees, taxes, and penalties, if any, in the same manner and at the same rates as were in effect when the application was filed.

(6) The department shall remit the fees paid pursuant to this section to the township treasurer. Except as provided in section 51109(2), all fees remitted to the township treasurer under this section shall be distributed by the township treasurer in the same proportions to the various funds as the ad valorem general property tax is allocated in the township.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995

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### **324.51119 Representatives of department; right of entry on commercial forestlands; access to books and papers.**

Sec. 51119. A duly authorized representative of the department may at any time go upon commercial forestlands to ascertain the validity of any report made pursuant to this part or otherwise determine compliance with this part. The duly authorized representative of the department may examine or cause to be examined any books, papers, records, or memorandum bearing upon the amounts of timber products cut from the commercial forestland or the owner's forest management plan.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

### **324.51120 Violation of part; penalty.**

Sec. 51120. (1) Except as provided in subsection (2), a person who violates this part is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than \$500.00, or both.

(2) A person who harvests, cuts, or removes forest products having a value of more than \$2,500.00 in violation of this part is guilty of a felony punishable by imprisonment for not more than 3 years or a fine of not more than \$10,000.00, or both.

(3) Upon conviction for a violation of this part, the court may declassify all or a portion of the commercial forest pursuant to section 51116.

**History:** Add. 1995, Act 57, Imd. Eff. May 24, 1995

**Popular Name:** Act 451 © 2006 Legislative Council, State of Michigan

## **PART 512**

### **324.51201 Owner of commercial forestland subject to sustainable forest conservation easement; specific tax; application for sustainable forest conservation easement tax incentives; form; information; cutting or removing forest products; violation; penalty; definitions.**

Sec. 51201. (1) Notwithstanding section 51105, an owner of commercial forestland that is subject to a sustainable forest conservation easement is subject to an annual specific tax equal to the annual specific tax levied under section 51105 less 15 cents per acre. The specific tax described in this section shall be administered, collected, and distributed in the same manner as the specific tax levied in section 51105.

(2) An application for sustainable forest conservation easement tax incentives described in this part shall be submitted on a form prescribed by the department. The application shall be postmarked or delivered to the department not later than April 1 to be eligible for approval for the following tax year. In addition to any information that the department may reasonably require by rule, the applicant shall provide all of the following to the department:

(a) A nonrefundable application fee in the amount of \$2.00 per acre or fraction of an acre, but not less than \$200.00 and not more than \$1,000.00. The department shall remit the application fee to the state treasurer for deposit into the commercial forest fund under section 51112.

(b) A copy of the conservation easement covering the forestland.

(3) The owner of commercial forestlands subject to a sustainable forest conservation easement is entitled to cut or remove forest products on his or her commercial forestlands if the owner complies with part 511 and the requirements of the sustainable forest conservation easement.

(4) If commercial forestland subject to a sustainable forest conservation easement is used in violation of this part or the sustainable forest conservation easement, the owner in addition to any other penalties provided by law shall pay a penalty, per acre, for each year in which the violation occurs equal to the difference between the specific tax paid under this part and the specific tax that would otherwise be paid under part 511. The specific tax collected under this part shall be paid to the township treasurer in which the commercial forestland is located. The penalty shall be distributed by the township treasurer in the same manner as the specific tax is distributed.

(5) As used in this part:

(a) "Commercial forestland" means commercial forestland that is enrolled under part 511.

(b) "Department" means the department of natural resources.

(c) "Forestland" means that term as defined in part 511.

(d) "Sustainable forest conservation easement" means a conservation easement described in section 2140 on commercial forestland that is approved by the department and meets all of the following:

(i) Is an easement granted in perpetuity to this state, a political subdivision of this state, or a charitable organization described in section 501(c)(3) of the internal revenue code, 26 USC 501, that also meets the requirements of section 170(h)(3) of the internal revenue code, 26 USC 170.

(ii) Covers commercial forestland of 40 or more acres in size.

(iii) Provides that the forestland subject to the conservation easement or the manager of the forestland subject to the conservation easement is and continues to be certified under a sustainable forestry certification program that uses independent third party auditors and that is recognized by the department.

(iv) Provides that the forestland subject to the conservation easement provides for the nonmotorized recreational use of the forestland by members of the public.

**History:** Add. 2006, Act 381, Imd. Eff. Sept. 27, 2006 © 2006 Legislative Council, State of Michigan